

Article”; and by inserting after the word “to” and preceding the word “religious” in line 2 of G. S. 105-125 the word and punctuation “charitable,”.

(e) Deleting from line 9 of the second paragraph of subsection (b) of G. S. 105-122 the reference “§ 105-143” and by substituting in lieu thereof the reference “§ 105-130.6”.

Sec. 3. The Income Tax Article of the Revenue Act, being Article 4 of Subchapter I of Chapter 105 of the General Statutes is hereby amended by:

(a) Adding at the beginning of said Article a new division to be designated as “DIVISION I. CORPORATION INCOME TAX”, to be composed of General Statute Sections 105-130 through 105-130.21;

(b) Rewriting G. S. 105-130 to read as follows:

“§ 105-130. Short Title. This division of the income tax Article shall be known and may be cited as the Corporation Income Tax Act.

(c) Adding new Sections to be designated 105-130.1 through 105-130.21 and to read as follows:

“§ 105-130.1. Purpose. The general purpose of this division is to impose a tax for the use of the State government upon the net income of every domestic corporation and of every foreign corporation doing business in this State.

“The tax imposed upon the net income of corporations in this division is in addition to all other taxes imposed under this subchapter.

“§ 105-130.2. Definitions. For the purpose of this division, and unless otherwise required by the context:

(1) The word ‘taxpayer’ includes any corporation subject to the tax imposed by this division.

(2) The word ‘corporation’ includes joint-stock companies or associations and insurance companies.

(3) The words ‘domestic corporation’ mean any corporation organized under the laws of this State.

(4) The words ‘foreign corporation’ mean any corporation other than a domestic corporation.

(5) The words ‘income year’ or ‘taxable year’ mean the calendar year or the fiscal year upon the basis of which the net income is computed under this division; provided, that if no fiscal year has been established, they mean the calendar year, except that in the case of a return made for a fractional part of a year under the provisions of this division or under rules or regulations prescribed by the Commissioner of Revenue, the words ‘income year’ or ‘taxable year’ mean the period for which such return is made.

(6) The words ‘fiscal year’ mean an income year, ending on the last day of any month other than December. A corporation which pursuant to the provisions of the Federal Internal Revenue Code of 1954 has elected to compute its income tax liability to the United States on the basis of an annual period varying from 52 to 53 weeks shall compute its taxable income for the purposes of this division on the basis of the same period used by such corporation in accordance with the Federal Internal Revenue Code of 1954 in computing its tax liability to the United States for such income year.